

**REMARKS/ARGUMENTS**

In the above-mentioned Final Action, the Examiner rejected claims 19-26, 29, 44-48, 50, 52, 54-55, 57-62, 65, 67, 69, 71-73, 75, 77, 79-81, 84-85, 87-90, 92 and 94-96 as being anticipated by U.S. Patent No. 4,188,251 (Grass); and claims 27-28, 49, 56, 63-64, 66, 68, 70, 74, 78, 86, 91 and 93 as being unpatentable over Grass.

In response to the Final Rejection: claims 19, 23, 28, 44, 50, 57, 65, 67, 69, 71, 72, 73, 75, 77, 81, 84, 89 and 92 are amended; claim 94 is cancelled; and dependent claims 97-110 are added.

The Examiner stated in rejecting claim 19 that alternating labels of Grass are non-label waste portions of the facestock sheet. This is clearly an incorrect reading of Grass. An example of non-label waste portion of the present invention is shown in FIG. 4 of the present application with a (Starburst) label surrounded by a non-label waste portion of the facestock sheet.

The "labels" of Grass as designated by the Examiner directly abut one another. If the Examiner continues to assert that every other label of Grass is a "non-label waste portion," he is respectfully requested to show where in Grass it discloses that every other label is a "non-label waste portion." Additionally, Grass FIGS. 6 and 7 show all (not-alternating) labels being dispensed with no "waste portions."

The Examiner stated in rejecting claims 19, etc. that the "label" is disclosed by Grass (17) and the "weakened line segment" is disclosed by Grass (20). An example of a label is shown at 220 in FIG. 7 of the present application, and an example of a weakened line segment is shown at 244 in FIG. 7. It is clear that 244 is outside of 220. It is also clear that 20 is inside of 17. Line 20 also has nothing to do with removing the label from the sheet. Rather, it only allows for removing the non-adhesive part of the label after application.

The Examiner stated that the label is 17. Then he takes an inconsistent position in rejecting claims 73 and 77 by stating that the label is only label part 18 and not part 19. It is clear that the (entire) bottom surface of part 19 is not coated with adhesive. In fact to modify Grass and coat part 19 would be contrary to a primary purpose of Grass

(see FIG. 3) which discloses that label part 19 is "free of adhesive." See, e.g., In re Gordon, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984).

Claim 67 states at the end that the liner sheet has no cut or weakened lines directly beneath the label. Grass clearly shows such cuts at 25S and 25L (made by teeth 27).

The Examiner accorded no patentable weight to phrases in the claims beginning with "adapted to" and "constructed and adapted to." This is clearly improper. Applicants have further emphasized the structural significance by adding "capable of" to the claims. To continue to ignore (give no patentable weight to) these phrases would be improper.

The claims use the phrase "adapted to" (or more particularly, "constructed and adapted to and capable of" in some of the claims). While it is true that a statement of intended use in a preamble of a claim may impart no structural limitations, the descriptive phrase "adapted to" in a claim body imparts structural limitations. In fact, as a matter of law, language in the body of a claim following the descriptive phrase "adapted to" is a structural limitation and must be considered in a patentability determination. For example, in In re Venezia 530 F.2d 956, 957, 189 USPQ 149, 150 (CCPA 1976), some of the claim language at issue was "a pair of sleeves of elastomeric material ... adapted to be fitted over the insulating jacket of one of said cables." Concerning the above-quoted aspect of the claim, the Court of Customs and Patent Appeals stated that "rather than being a mere direction of activities to take place in the future, this language imparts a structural limitation to the sleeve. Each sleeve is so structured and dimensioned that it can be fitted over the insulating jacket of the cable." *Id.* at 959, 189 USPQ at 151-152, emphasis added. (See also In re Barr, 444 F.2d 588, 170 USPQ 330 (CCPA 1971).)

The Examiner further rejected claim 65 stating that the phrase "the line portion which passes through the label is not a weakened line portion" is new matter. This is incorrect, Applicants respectfully contend. This is clearly shown in FIG. 5 of the subject application as filed. Referring thereto the line segments 148 on both sides of label 144

in the facestock (or more particularly the non-label waste portion of the facestock) form a line (an imaginary line). The line passes through the label. And the portion of the line passing through the label is not a weakened line portion. (If it were, it would cut, tear or weaken the label.)

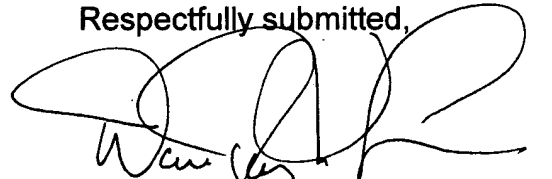
The first and second lines of claim 109 are shown for example at 148 and 180 in FIG. 6.

Accordingly, it is respectfully contended that all of the claims now pending are patentable over the prior art of record. Issuance of the Notice of Allowance at an early date is in order.

Counsel will be calling the Examiner shortly to set up a telephone interview to discuss this Amendment before the Examiner acts upon it.

The Commissioner is hereby authorized to charge any additional fees which may be required, or credit any overpayment to Deposit Account No. 07-1853. Should such additional fees be associated with an extension of time, Applicants respectfully request that this paper be considered a petition therefor.

Respectfully submitted,

  
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